#### **COMMENTS**

The enclosed is responsive to the Examiner's Office Action mailed on February 2, 2004. At the time the Examiner mailed the Office Action claims 1-12, 60-69 and 90-96 were pending. By way of the present response, Applicants have: 1) amended claims 1, 2, 7, 9, 10, 12, 60, 68, 90, and 95; and 2) canceled claims 4 and 5. As such, claims 1-3, 6-12, 60-69, and 90-96 are now pending. Applicants respectfully request reconsideration of the present application and the allowance of claims 1-3, 6-12, 60-69, and 90-96.

#### Claim Rejections

### 35 U.S.C 102(e) Rejections

The Examiner rejected claims 1-12, 60-69 and 90-96 under 35 U.S.C 102(e) as being anticipated by U.S. Patent 6,257,486 (hereinafter "Teicher").

It is Applicants' understanding that Teicher fails to teach the present invention as set forth in claims 1-12, 60-69 and 90-96. Applicants have amended claims amended claims 1, 2, 7, 9, 10, 12, 60, 68, 90, and 95; and canceled claims 4 and 5 as redundant to more particularly point out the claimed subject matter. Specifically, Applicants have amended claims 1, 2, 7, 9, 10, 12, 60, 68, 90, and 95 to indicate that the smart card is enabled to function with the smart card reader if it receives the first enable signal from a respective portable smart card enabler device and is disabled to function with the smart card reader if it does not receive the first enable signal from the respective portable smart card enabler device, as recited in amended claim 1:

#### A smart card comprising:

an interface with a smart card reader:

first circuitry configured to receive a first enable signal from a <u>portable smart</u> <u>card enabler device</u>; and

second circuitry coupled with the interface and the first circuitry and configured to allow the <u>smart card</u> to function with the <u>smart card reader</u> upon receiving the first enable signal from the <u>portable smart card enabler device</u> by the first circuitry, and to disable the <u>smart card</u> to function with the <u>smart card</u> reader if the first circuitry does not receive the first enable signal from the <u>portable smart card</u> enabler device.

## (Amended claim 1)(emphasis added)

In contrast, Teicher discloses a smart card personal identification number (PIN) system, card, and reader for secure entry of a secret PIN directly into the smart card while the card is presented to the reader. Referring to Fig. 11 Teicher discloses that the smart card 1100 also contains an authentication module 1105. More significantly, Teicher, referring to Fig. 12, discloses that

When the user wishes to utilize the smart card, he or she presents the smart card to the reader in a presentation step 1252. At this point, the smart card authentication module is enabled in an enabling step 1254. So long as the smart card remains presented to the reader, smart card authentication module 1105 will be able to perform an authentication. Following this, then, an authentication procedure (such as that of the non-limiting example illustrated in Fig. 6) is performed in a step 1256. Depending on the results of the authentication, the smart card and reader conditionally exchange data in a step 1258. Finally, when the user removes the smart card from the reader in a step 1260, the authentication module is again disabled in disabling step 1250. Therefore, the smart card authentication module normally remains disabled and is enabled while the smart card is presented to the reader.

# (Teicher, col. 14, lines 49-64) (emphasis added)

Thus, Teicher discloses merely a smart card that is enabled directly by a smart card reader to function with the smart card reader. Unlike the presently claimed invention, Teicher does not disclose a smart card, which is enabled to function with the <u>smart card reader</u> after receiving an enabling signal from a <u>portable smart card enabler device</u>, and the smart card

remains disabled when it does not receive an enabling signal from the portable smart card enabler device, as recited in amended claim 1.

Accordingly, because Teicher does not set forth all the limitations of amended claim 1, Applicants respectfully submit that amended claim 1 is not anticipated by Teicher under 35 U.S.C. 102§(e).

Given that dependent claims 2, 3, and 6-12 depend directly or indirectly on claim 1 and contain at least the same limitations as amended claim 1, Applicants respectfully submit that claims 2, 3, and 6-12 are likewise not anticipated by Teicher under 35 U.S.C. §102(e).

With respect to claim 60, Teicher, as discussed above, fails to disclose a smart card that communicates with a portable smart card enabler device and a smart card reader. As recited in amended claim 60:

A smart card, comprising:

- a) a first interface through which communications with a <u>portable smart card</u> <u>enabler device</u> are transported;
- b) a second interface through which communications with a <u>smart card reader</u> are transported;
- c) memory to store an identification key, a transaction key and a transaction value; and
  - d) a processor to:
- 1) send said identification key to said <u>portable smart card enabler</u> <u>device</u> through said first interface;
- 2) send said transaction key to said <u>portable smart card enabler device</u> through said first interface as a consequence of said smart card receiving a first enable signal from said <u>portable smart card enabler device</u>, said first enable signal sent in response to said sending of said identification key;
- 3) send said transaction value to said <u>smart card reader</u> through said second interface in order to entertain a transaction, said transaction value being sent as a consequence of said smart card receiving a second enable signal from said <u>portable smart card enabler device</u>, said second enable signal sent in response to said sending of said transaction key.

(Amended claim 60)(emphasis added)

Accordingly, because Teicher does not set forth all the limitations of amended claim 60, Applicants respectfully submit that amended claim 60 is not anticipated by Teicher under 35 U.S.C. 102§(e).

Given that dependent claims 61-69 depend, directly or indirectly, on amended claim 60 and contain at least the same limitations as amended claim 60, Applicants respectfully submit that claims 61-69 are likewise not anticipated by Teicher under 35 U.S.C. §102(e).

With respect to claim 90, given that amended independent claim 90 recites a smart card, a portable smart card enabler device and a smart card reader as amended claim 60, Applicants respectfully submit that claim 90 is likewise not anticipated by Teicher under 35 U.S.C. §102(e).

Given that dependent claims 91-96 depend directly or indirectly on amended claim 90 and contain at least the same limitations as amended claim 90, Applicants respectfully submit that claims 91-96 are likewise not anticipated by Teicher under 35 U.S.C. §102(e).

In light of the comments above, Applicants respectfully request the allowance of all claims.

If there are any additional charges, please charge Deposit Account No. 02-2666. If a telephone interview would in any way expedite the prosecution of this application, the Examiner is invited to contact Robert B. O'Rourke at (408) 720-8300.

Respectfully submitted,

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Dated:  $\frac{5/3}{0}$ 

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